

**DRAFT**

**AGENDA ITEM #2661**

**WATER/ABJ/HJL:jlj**

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**WATER DIVISION  
Water Branch**

**RESOLUTION W-4423  
September 18, 2003**

**RESOLUTION**

**(RES. W-4423), GREAT OAKS WATER COMPANY (GOWC).  
ORDER AUTHORIZING AN INCREASE IN ANNUAL  
REVENUE OF \$1,202,007 OR 13.72% TO OFFSET AN INCREASE  
IN PUMP TAX.**

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**SUMMARY**

By Advice Letter No. 156-W, filed July 29, 2003, GOWC seeks revision of its Tariff Schedule No. 1, General Metered Service, to increase revenues by \$1,202,007 or 13.72% to offset an increase in pump tax. This resolution grants the request.

**BACKGROUND**

GOWC serves approximately 19,667 customers in southeast San Jose, east of Snell Road, and south of Hellyer Park, Santa Clara County. GOWC requested authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to offset a \$1,202,007 increase in pump tax assessed by the Santa Clara Valley Water District (SCVWD), effective July 1, 2003.

GOWC's present rate Schedule No. 1, General Metered Service, became effective on December 7, 1999, pursuant to Res. W-4174, which authorized an increase in rates to offset an increase in pump tax. Special Condition No. 2 of Schedule No. 1 became effective on April 8, 2003, pursuant to Res. W-4386, which authorized a surcharge to recover an undercollection in its purchased power balancing account.

**DISCUSSION**

The change in pump tax assessed by the SCVWD, for which recovery is requested in this filing, has increased from \$285.00 per acre-foot to \$375.00 per acre-foot for water pumped by GOWC and became effective on July 1, 2003. GOWC has determined that this increase in pump tax results in an increase in utility expense of \$1,202,007 and this is the amount requested in Advice Letter No. 156-W. The Water Division has reviewed the utility's request with supporting workpapers and finds it reasonable.

Since the requested increase is caused by changes in expenses directly related to water consumption, it is applied to the quantity rates. The rates for all quantities of water delivered would be increased by \$.216 per Ccf (One Ccf is equal to one hundred cubic feet). For the typical residential customer who uses 15 Ccf per month, the monthly bill, including all the appropriate surcharges, will increase by \$3.35 from \$24.12 to \$27.47.

Service is satisfactory. There are no Commission orders requiring system improvements nor significant service problems requiring corrective action. GOWC earned a rate of return on a recorded basis of 8.28% in 2002, which does not exceed its last authorized rate of return of 10.56%.

**NOTICE AND PROTESTS**

GOWC has given public notice of the request for an increase by publishing in the San Jose Mercury newspaper on July 29, 2003. No protest letters were received.

**FINDINGS**

1. Effective July 1, 2003, SCVWD increased its pump tax on water pumped by GOWC from \$285.00 per acre-foot to \$375.00 per acre-foot.
2. SCVWD's increase in rates will result in a \$1,202,007 increase in GOWC's pump tax.
3. GOWC has requested an increase in quantity charge of \$.216 per Ccf to offset the \$1,202,007 increase in pump tax.

4. The Commission finds, after investigation by the Water Division, that the changes hereby authorized are justified and the resulting rates are just and reasonable.

**IT IS ORDERED that:**

1. Great Oaks Water Company is authorized to make effective revised Schedule No. 1, Metered Service, as filed in Advice Letter No. 156-W, five days after the effective date herein and concurrently to cancel the presently effective rate schedule.
2. This resolution is effective today.

I certify the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on September 18, 2003; the following Commissioners voting favorably thereon.

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WILLIAM AHERN  
Executive Director